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CLASSIFICATION SHOREST

CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT, CD

CD NO.

COUNTRY China

1. Disaffection among TANG En-po's Troops

2. Discontent among Shanghai Textile Workers

DATE DISTR.

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13 April 1949

PLACE ACQUIRED

SUBJECT

25X1A

Retain or Destroy

NO. OF ENCLS.

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DATE OF INFO. 11 April 1949

SUPPLEMENT TO REPORT NO.

25X1X

REPORT NO.

. Military Situation

- 1. More defections among TANG En-po's (commander of the Nanking-Shanghai-Hangchow Garrison Command) troops are expected to follow the defection at Kashing*.
- 2. The loyalty of many of his units is open to question, and a large number of the troops is expected to defect when appropriate.
- 3. The tank corps commanded by CHIANG Wei-kuo, younger son of Generalissimo CHIANG Kai-shek, was assigned to the Shanghai command to frighten defectors, strengthen the morale of wavering troops and aid the loyal troops.

Labor Situation

- 4. The privately-owned textile mills in Shanghai distribute six tou of rice to each worker monthly.
- 5. Workers in the government-owned textile mills have been bargaining with the management for many months in an attempt to receive the same rice ration. The management finally agreed to give each worker three tou monthly, and the workers accepted these terms.
- 6. However, LU Ching-shih, Kuomintang vice-minister of Labor and Agriculture, who was representing both the Kuomintang and the workers, cancelled the entire agreement and refused to give the workers any rice. He reasoned that, if the textile workers were successful in this demand, all workers would make a similar demand.
- 7. Workers in the government-owned textile mills, who number about 100,000, are bitter and resentful. Between 20 and 30 Chinese agents reportedly are agitating among them.

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NO CHANGE in Class.

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25X1A 25X1X Comment. Because of the strict military control over labor (See no trouble is expected now; but if the disturbances and the military defections continue, the textile workers can be of serious concern.

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Comment. Press reports state that 1,800 soldiers of the Youth Army Training Corps, formerly commanded by CHIANG Ching-kuo (older son of the Generalissimo) and now under the command of Tang rn-po, defected at Kashing (between Shanghai and Hangchow) on 6 April.

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